

NEW YORK, SUNDAY, OCTOBER 27, 1918.—Copyright, 1918, by the Sun Printing and Publishing Association.

WAR TIME REALTY TRADING YIELDS SOME GOOD PROFITS

Lack of Mortgage Money Puts Business on Cash Basis—Turning Over of Many Small Properties and Few Large Ones Points to Opportunities

In looking into the future it is well to peek into the past, because there are incidents to be found in the time elapsing that have a bearing or indicate to some degree what may be expected of the future. It was reported from Washington last week that \$300,000,000 had been advanced to our allies, making the total amount of money loaned to the Entente Powers \$7,520,400,000 since the start of the war. The significance of this new credit to foreign countries was lost sight of perhaps in the excitement associated with the last days of the Liberty Loan drive and the great success of the war bond campaign. But it is possible that the significance of this credit to our allies will not be appreciated until after peace has come and business feels the advantage of America's control of the revenues of these countries through the payment of the interest on this great indebtedness. Folks cannot have forgotten that some months ago Wall Street reported that Europe was selling her American securities and that America was buying them back. It is reported that very few American securities are held in Europe, which means that the earnings on these stocks and bonds will not go to Europe as before the war, but will remain right in this country.

Why Real Estate Is a Good Purchase Now

Great demand. Limited supply. High rentals. Low fee values. Profits being made, with promise of more. Post war activity due to commercial demands. Increased business and residential population. Aggrandized position of city in world's business field.

"Because the end of the war is near and real estate is surely coming back." Profits such as that which came to Mr. Jackson are not singular. In fact it is interesting to relate that the property adjoining the parcel referred to, 101 and 103 Crosby street, was purchased by a Mr. Martin a few months ago with less money than Mr. Jackson put into his deal. What is more, Mr. Martin did not take title to the property until it was sold. He had a few months' interest in the property for \$5,000 and the money went out and optioned the property at the northwest corner of Canal and Baxter streets. Again Mr. Martin found some one who would pay him a profit for his contract and this time a good profit because, he received in trade for the Canal street corner a sanitarium in Pennsylvania in which his equity is said to be \$50,000.

It is amusing the many profits and considerable ones too which have been taken out of this business section, long neglected and which many thought had no value. In the instance of 52 Greene street two profits were made and in a short time. The Merchants Realty Company took the building first paying a little less than \$12,000 for it, and sold it to Frederick Brown for some \$15,000. The Realty Company is said to have cleaned up \$4,000 on this transaction. Mr. Brown understood to have received the realty at \$20,000, making at least \$5,000 on the second resale. Joseph H. Hines, a reported to have made more than \$10,000 out of the ownership of 32 Greene street. The Markham company made a profit in the purchase and improvement and resale of the property at 162 Fifth avenue. Stories have it that the net profit from this transaction was \$20,000. Henry Weil saw a chance to resell the two tenements at 417 and 419 West Sixteenth street some months ago, so he bought them. A few weeks later he resold them at a profit of \$1,750. Last week the papers reported the resale of the business building at 20 Beekman street. Mr. Weil bought this through his brother-in-law, William Lynn, for \$300. That is all he had in the contract. Once during the life of his option he had the property sold at a profit of \$3,000, but some hitch prevented the deal going through. He sold it last week at a profit of \$800.

Richard S. Elliott bought 30 Bank street and quickly resold it at \$1,000.

above what he paid for it. He cleaned up handsomely in the purchase and resale of the northeast corner of Sixth avenue and Ninth street. He erected a one story building on the property, which he bought from the Hudson and Manhattan Railway Company. When Mr. Elliott resold the corner he received cash and an equity in a dwelling on the East Side. The cash alone was sufficient to give Mr. Elliott a tidy profit out of the transaction. Norman Reissfeld, an attorney at 150 Broadway, purchased recently the house at 318 West Seventy-sixth street for \$29,000, thinking that it was cheap. He must have been correct, because he has been offered \$33,000 for the property. Ennis & Shinnott are operators who have been affording the few professionals active previous to the start of the German peace movement a few months ago. These buyers have made money through resales in many sections of the city. It was recalled yesterday by one broker that in one particular deal they made \$10,000 without the least effort. They paid \$52,000 for the property at 10 West Forty-ninth street and resold it for \$62,000. The quick profit from this deal, which was perhaps their first in the Fifth avenue district, strengthened by the conclusions reached regarding the future needs of the section, have led them to venture again in this locality, and as was reported several days ago they bought the property at 12 and 15 West Fifty-first street, which had been in the market at \$185,000 for at least two years. They paid less than that for the realty, and from the tales flying through the market they can resell the contract at a nice advance over the price which they paid. William Woodward of the Hanover National Bank for the property.

There is little doubt but a number of people could have purchased the property at 121 East Sixty-fourth street before it was offered to Frederick J. Steiner about a month ago. Mr. Steiner will not complain that another did not take this property, a four story dwelling, because on Thursday last he sold it at a profit of \$5,000.

Roland Elliman, head of the firm of Douglas L. Elliman & Co., in the absence of his brother, Douglas L. Elliman, who is now in the navy, and yesterday that he knew of no time which held greater promise for the investor or the speculator to buy real estate. The east side residential section contains many properties which are being sold at prices far below market value. Prices are far below market values. An easier mortgage market will change conditions materially.

Mr. Elliman's views were shared by other brokers in the district. The reduction of families through service of men in the army and the navy has broadened a lot of properties on the market because incomes have been depleted and money has to be had to support the members at home. These conditions have brought choice properties into the market at prices made for the purpose of bringing about quick sales. Unusual circumstances have permitted many to secure fine residential properties in this East side district in the last five or six months. Offers far in excess of what were paid have been refused by the new owners on the assumption that better prices at the way for this as well as all other sections of the city. James Crutskank is reported to have made profits totaling upward of \$100,000 in the last few months. He indicates the chances which the market possesses. Mr. Crutskank, perhaps experimenting with a plan of operation which he has mapped out, has confined his trading to small properties, none of which required more than a few thousands to buy. Of a string of twenty or

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Investors and Firms Take Advantage of Low Values to Stock Up With Downtown Realty

Great Demand for Limited Supply of Business Property Sends Rentals High—Business Houses Fearing Future Purchase Their Homes—After War World Trade Centre

If folks with money awaiting investment could absorb some of the optimism preached by Charles F. Noyes regarding the wonderful future ahead for New York real estate there would be very little hesitancy as to what course should be pursued. While glowing in particular over the opportunities which the downtown section possesses, Mr. Noyes said that it was his firm belief that every section of the city was in for higher real estate values just so soon as a peace is declared between the belligerents and peaceful business enterprises and not warfare again hold the attention of the world. He gave free expression of his views on the general real estate field, comparing the prospects to a great wave of prosperity sweeping over the city and bringing greater value to every nook and corner of the metropolis, the wonder city of the Western World. Mr. Noyes made no introduction to the real estate men of the city, but that investors may better appreciate the views expressed by him let it be said that he is one of the keenest students of real estate conditions in the city, especially of the downtown sections where he has been active for many years. He is president of one of the largest real estate brokerage concerns in the city, and last year his company transacted \$20,000,000 worth of business. The Charles F. Noyes Company has control of close to 500 buildings in the lower business districts of the city. Mr. Noyes has advocated the purchase of real estate against the coming of peace for more than a year. He has been especially urgent in his advice to investors and speculators to give attention to the lower end of the city, where he said opportunities which would produce said returns were to be had at prices far below what they should be under ordinary conditions. Many have taken his advice and have bought and resold at profits even greater than were anticipated.

Properties there have changed hands as often as four times in a few months, and each time at an advance over the previous figures. Mr. Noyes claims that the downtown real estate field is far from being fully exploited, even though it has been the scene of the liveliest buying movement in the city for the last two or three years. "I am of the opinion that there will be a 'runaway' market in real estate starting with the signing of peace," said Mr. Noyes, "and I base my opinion that the end of the war will bring a tremendous boom to real estate in the older sections and the fact that downtown real estate has been the scene of the liveliest buying movement in the last five or six months. Offers far in excess of what were paid have been refused by the new owners on the assumption that better prices at the way for this as well as all other sections of the city."

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New Jersey Zinc Co. building on lower Maiden Lane



William R. Grace & Co. have bought seven parcels as site for addition to their new Hanover Square building



135 Front Street. Type of building sought by investors



Nassau Street. Building site for Federal Reserve Bank



Edward H. O'Brien of California, bought 95 and 97 Front Street for investment



Nassau Street. Building site for Federal Reserve Bank

up put on a proper price level, and be readjusted, while violent in certain sections, has been definite. Today's market is all real estate is valued at low, conservative figures, and in many instances at prices less than what it is actually worth.

"New York is growing at the rate of about 600,000 souls a year. The financial district is limited by reason of its environment, and Manhattan Island is small and its area limited with the impossibility of widening it by a foot. There has been no construction to speak of for the past three years and there is practically no building in progress now. There is a demand for space due to this steady increase of population and business growth. These conditions commenced to be felt about two years ago, at which time an increase in rental conditions was noted.

"A canvass made by my office last week disclosed the surprising fact that there are only six buildings available for rental south of Canal street. The number perhaps is less to-day. The demand, it must be remembered, is growing steadily, while the supply is decreasing. The great economic condition which overrides the theory of the theorist laughs at, ridicules and taunts the heretofore pessimist and creates overnight appraisers and actually makes conditions. No combination is great enough to force values up or down as against supply and demand, and provided the supply of space is less than the demand, then values are going up. First rental

values will increase, then income and then prices, and the greater the demand the more limited the supply, the greater will be the advance in values.

"The fundamental bases then for higher values and greater trading are present in this district, because rentals have gone up tremendously and will go up still more. There is hardly a property in this general section which is not returning an income of at least 25 per cent. more than formerly. Two leasing made recently in Maiden Lane show increases of 100 per cent. in one case and 110 per cent. in the other over previous rentals. Rentals covering loft space have increased 25 per cent., and in office buildings the increase has been from 20 to 40 per cent., with no large space available in the lower end of Manhattan movement which started two years ago in this locality and which will continue. Tenants unable to rent have bought structures south of Canal street, have been taken out of the market and those available for rent or in the sales market

advantage because it has reduced his rental per square foot, has given him or her firm individuality, which is worth something in the commercial field, and their offices have been made to meet the requirements of the concerns, which means satisfaction not possible of being obtained in rented quarters. Then the downtown concerns have been able to buy their premises because they have made money. It must have been noted by those who follow the real estate market carefully that most of the buying in the downtown section has been by investors, firms who wanted permanent occupancy and the assurance that when the peace business boom arrives they will not have to worry about where they can secure business headquarters.

"Records in my office show that 120 buildings in the lower end of Manhattan have been purchased by seventy business concerns and for cash, meaning that this many of the limited supply of structures south of Canal street have been taken out of the market and those available for rent or in the sales market

Continued on Second Page.

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EGYPTIAN LACQUER MFG. CO., Lacquer
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- 54-62 West 21st St.**
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- 19-21 West 36th St.**
Near 5th Ave.
12 story loft building on plot 48x98.9. Mortgage \$25,000 at 5%, due in 1922. Net Income \$16,571. Price \$425,000.
- 242-246 So. Broadway Yonkers**
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THE VALUE OF MONEY

The value of money in terms of commodities has declined steadily. All commodities have advanced from fifty to several hundred per cent. in price.
Real Estate itself has not changed, but its price has scaled downwards. The promise is toward an advance in values, and they who buy real estate to-day purchase at half value, and should reap a double profit through increased value resulting from increased demand and increased purchasing power of the money invested in general commodities when normal conditions are restored.
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